

Message Text

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67

ACTION EB-07

INFO OCT-01 ARA-06 IO-10 ISO-00 AF-06 EA-07 EUR-12 NEA-10

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 FEA-01 /132 W
----- 058696

R 161847Z DEC 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 946

INFO AMEMBASSY GUATEMALA CITY

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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H PASS CODEL; PASS STR FOR INFO; PASS AGRICULTURE

E.O. 11652: NA

TAGS: MTN ETRD

SUBJ: TROPICAL PRODUCT CONSUTATION--CENTRAL AMERICA

REF: STATE 276773

1. US MTN DEL HELD SECOND CONSULTATION ON TROPICAL PRODUCT (TP) REQUEST LIST OF CENTRAL AMERICAN COMMON MARKET (CACM) COUNTRIES MONDAY, DEC 8, WITH CACM MTN REPS AND GENEVA SIECA REP RODAS. USDEL DETAILED THREE CATEGORIES OF PRELIMINARY US REACTION, OUTLINED US POSITION ON RECIPROCITY IN TP CONTEXT, COMMENTED ON INDIVIDUAL ITEMS FROM REFTEL, AND RESPONDED TO VARIOUS QUESTIONS ON GSP. CACM REPS PROVIDED SOME ADDITIONAL INFORMATION
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(SEPARATE AIRGRAM FOLLOWS) AND WILL SEEK PROVIDE ADDITIONAL IN

FORMATION ON REQUESTED ITEMS IN WHICH THEY HAD LITTLE OR NO TRADE.

2. CACM DELS WERE CONCERNED THAT US THREE CATEGORY RESPONSE COULD MEAN THAT SOME PRODUCTS IN WHICH THEY WERE VERY INTERESTED AND CONSIDERED TO BE TROPICAL(E.G. TOBACCO, PINEAPPLES, AVOCADOS), WOULD NOT BE NEGOTIATED IN TP GROUP. ALSO CONCERNED THAT US MIGHT NOT CONSIDER PRODUCTS IN WHICH THEY WERE INTERESTED, BUT WERE NOT PRINCIPAL SUPPLIERS, AND FOR WHICH PRINCIPAL SUPPLIERS HAD NOT REQUESTED CONCESSION, ESP. LACK OF MEXICAN REQUESTS ON MANY FRUIT AND VEGETABLE ITEMS. USDEL NOTED THAT USG VIEWS WERE PRELIMINARY, THAT FINAL DECISIONS AS TO WHERE OR IF A PRODUCT COULD BE BEST NEGOTIATED HAD NOT BEEN REACHED, THAT NO PRODUCTS WERE EXCLUDED FROM THE MTN, BUT THAT PATTERN OF SUPPLY AND EXTENT OF US DOMESTIC PRODUCTION WERE FACTORS THAT NEEDED TO BE CONSIDERED. LACK OF A REQUEST FROM PRINCIPAL LDC SUPPLIERS WAS INHIBITING FACTOR IN US CONSIDERATION OF MFN TARIFF CONCESSION SINCE IT WAS DEMONSTRATION THAT COUNTRY DID NOT VALUE SUCH CONCESSIONS, BUT OTHER FACTORS, INCLUDING IMPORT SENSITIVITY, HAD ALSO TO BE CONSIDERED.

3. ON RECIPROCITY, CACM DELS INQUIRED AS TO WHAT CONTRIBUTIONS WOULD BE EXPECTED FROM CACM COUNTRIES, WHO THEY CHARACTERIZED AS AMONG THE "POOREST" IN THE MTN. USDEL NOTED DECISIONS ON APPROPRIATE LDC CONTRIBUTIONS NOT YET MADE, THAT IT COULD COVER WIDE RANGE OF CONTRIBUTIONS FROM ADHERENCE TO CODES OR BINDING SOME TARIFFS TO ACTION IN SPECIFIC PRODUCT AREAS, AND THAT AMOUNT OF RECIPROCITY WOULD BEAR RELATION TO TOTAL VALUE OF THE TROPICAL PRODUCTS PACKAGE TO EACH PARTICIPANT, AND INDIVIDUAL DEVELOPMENT, TRADE, AND FINANCIAL NEEDS.

4. CACM DELS NOTED WITH SATISFACTION THAT OF SOME 100 PRODUCTS CACM COUNTRIES HAD ASKED FOR GSP TREATMENT, SOME 47 HAD BEEN INCLUDED IN GSP. CACM DELS LIMITED OFFICIAL USE

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PRESENTED US MTN DEL WIT LIST OF 14 PRODUCTS ENTITLED, "PRODUCTS CONTAINED IN THE ORIGINAL PROPOSAL, EXCLUDED IN THE US GSP SCHEME AND THAT HAVE SPECIAL IMPORTANCE FOR CENTRAL AMERICA". PRODUCTS WERE INCLUDED IN MARCH "INDICATIVE" LIST FOR CONSIDERATION FOR INCLUSION IN US GSP AND WERE INCLUDED IN CENTRAL AMERICAN TP REQUEST LIST, WITH REQUEST FOR CONFIRMATION OF GSP, BUT WERE NOT INCLUDED IN FINAL GSP

PRODUCT LIST. US MTN DEL SAID IT WOULD FORWARD LIST TO WASHINGTON OFR ITS INFORMATION BUT THAT IT DID NOT CONSIDER IT APPROPRIATE AT THIS STAGE TO RESPOND TO REQUESTS FOR GSP TREATMENT IN THE TP GROUP WHERE THE US MTN DEL WAS CONSIDERING MFN TARIFF CONCESSIONS. DURING SUBSEQUENT TP CONSULTATION, USDEL INDICATED THAT ONE PRODUCT ON CACM LIST, 152.46 FRUIT PASTES, WAS TENTATIVELY CLASSIFIED AS CATEGORY 1, ON WHICH MFN TARIFF CONCESSIONS COULD POSSIBLY BE NEGOTIATED IN TP GROUP. PRODUCTS REQUESTED FOR GSP INCLUSION WERE AS FOLLOWS:

TSUS NUMBER PRODUCT DESCRIPTION

135.92	CUCUMBERS
137.10	FRESH PEPPERS
147.86	FRESH MANGOES
145.08	COCONUT, SHREDDED
148.15	CANTALOUPE
148.20	WATERMELONS
152.46	FRUIT PASTES
155.70	HONEY
165.25	LIME JUICE
184.52	COTTONSEED OIL AND CAKE
240.23	PLYWOOD, OTHER
452.34	LEMON OIL
452.44	ORANGE OIL
706.08	LEATHER HANDBAGS

5. CACM DELS ALSO WERE CONCERNED OVER COMPETITIVE NEED EXCLUSIONS OF COSTA RICA AND GUATEMALA FROM GSP ON SUGAR, NOTING UNUSUAL "INFLATIONARY" SITUATION IN SUGAR MARKET. US MTN DEL NOTED THAT COMPETITIVE NEED LIMITED OFFICIAL USE

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EXCLUSIONS WERE REVIEWED ANNUALLY AND THAT \$25 MILLION LIMIT WOULD BE INCREASED IN ACCORDANCE WITH GNP GROWTH. HOWEVER, 1975 US TRADE STATISTICS THROUGH JULY INDICATED LIKELIHOOD BOTH COUNTRIES WOULD AGAIN EXCEED COMPETITIVE NEED LIMITATIONS.

6. CACM REPRESENTATIVES SAID THEY WOULD REVISE TP REQUEST LIST IN LIGHT OF US GSP AND INFORMATION OBTAINED DURING CONSULTATION. IN GENERAL, THEY EXPRESSED DISAPPOINTMENT THAT SO FEW PRODUCTS IN WHICH THEY WERE INTERESTED APPEARED TO HAVE POSSIBILITY OF BEING NEGOTIATED IN TP GROUP.

7. SIGNIFICANT COMMENTS BY CACM COUNTRIES ON SPECIFIC PRODUCTS FOLLOW:

TSUS PRODUCT DESCRIPTION COMMENT

125.80 LIVE PLANTS, N.E.S. CACM DELS SUBMITTED LISTS
 OF SPECIFIC PLANTS, IN-
 CLUDING TROPICAL FOLIAGE,
 IN WHICH THEY ARE INTER-
 ESTED (LIST FOLLOWS BY
 AIRGRAM). MAJOR TRADE
 ITEMS FOR GUATEMALA AND
 HONDURAS, OF WHICH DC'S
 ARE PRINCIPAL SUPPLIERS.
 CACM REQUESTED CONSIDERA-
 TION OF EX-OUT.

192.20 FRESH CUT FLOWERS CACM DELS SUPPLIED LIST OF
 FLOWERS IN WHICH INTERESTED.

148.96 FRESH PINEAPPLES HONDURAS PRINCIPAL SUPPLIER.
 SEASONAL EX-OUT?

146.30 AVOCADOS CACM NOTIFYING US PLANT
 QUARANTINE REQUIREMENTS.
 USDEL REQUESTS ADDITIONAL
 INFORMATION.

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147.86 FREHS MANGOES CACM NOTIFYING US QUARANTINE
 RESTRICTIONS. USDEL REQUESTS
 ADDITIONAL INFORMATION.

147.92 PREPARED MANGOES USDEL NOTED THIS PRODUCT MIGHT BE
 CONSIDERED FOR POSSIBLE EX-OUT.

148.10 CANTALOUPE AND CACM REQUESTED CONSIDERATION

148.20 WATERMELONS OF EX-OUT DURING PERIOD IN
 WHICH THERE IS NO US PRODUCTION,
 E.G. JAN-FEB. NOTED MEXICO
 IS PRINCIPAL SUPPLIER.

127.10 GARDEN & FIELD SEEDS CACM TO INDICATE SPECIFIC
 PRODUCTS OF TRADE INTEREST.

126.41 FLOWER SEEDS MAJOR TRADE ITEM FOR
 COSTA RICA AND GUATEMALA
 BUT DC'S ALSO SUPPLIERS.
 CACM TO IDENTIFY SPECIFIC
 PRODUCTS OF INTEREST.

152.46 FRUIT PASTES & PULP CACM TO IDENTIFY SPECIFIC
PRODUCTS OF TRADE INTEREST.

152.72 BANANA & PLANTAIN CATEGORY ONE. HONDURAS
PASTE & PULP IS PRINCIPAL US SUPPLIER
AND ELIMINATED FROM GSP
BECAUSE OF COMPETITIVE NEED.

452.80 OTHER ESSENTIAL OILS CACM INTERESTED IN CARDAMON.

202.40 MAHOGANY CACM REQUESTED DELETION OF
REQUEST.

240.03 OTHER WOOD VENEERS CACM PARTICULARLY INTERESTED
IN WOOD VENEERS.

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Message Attributes

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